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INTERNATIONAL



BIMETALLISM

SPEECH

—OF—

Lt.-Colonel the Hon. James Baker,

IN THE

LEGISLATIVE ASSEMBLY

OF

BRITISH COLUMBIA.

January 24th, 1894.

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IN THE
LEGISLATIVE ASSEMBLY, BRITISH COLUMBIA.

Jan'y. 24th, 1894.

On the motion of the Honorable Colonel BAKER, seconded by Mr. WATT, it was resolved,—

That a humble Address be presented to His Honor the Lieutenant-Governor, praying him to convey to Her Majesty's Most Honorable Secretary of State for the Colonies, through the Honorable Secretary of State for Canada, that, in the opinion of this House, it is expedient that it should be ordained by International agreement—

1. That gold and silver be legal tender to any amount.
2. That the value of silver in terms of gold be fixed.
3. That gold and silver in any amounts be freely turned into coin at State mints.

Hon. Colonel BAKER said—

Mr. SPEAKER:—

I have thought it my duty to move this resolution because the subject is one of such paramount importance that it is engaging the serious attention of statesmen over the greater part of the civilized globe. It is also a subject which has a special interest for the people of British Columbia, inasmuch as this Province holds in the womb of its mountains an amount of silver which is probably greater than that of any other country in the world. But it is not only in its relation to the mining industry that the question of currency demands our serious attention. It has an important interest for every member of the community because, unless the modern tendency to gold monometalism and the consequent demonetization of silver is promptly checked, there must fall upon the human race calamities and disasters so appalling as to mark a dark era in the history of the world. That there is warrant for these gloomy anticipations from such causes is proved by former experience; and in proof of that assertion I will quote the words of that

eminent American statesman Daniel Webster, who, in alluding to the evils which had followed upon a faulty monetary system, said:—

“ We have suffered more from this cause than from any other cause or calamity. It has killed more men, it has pervaded and corrupted the choicest interests of our country more and it has done more injustice than even the arms and artifices of our enemies.”

These words were spoken in reference to the evils which had followed upon an inflation of paper currency ; but the reduction of metallic money by nearly one-half, which would be the result of a general demonetization of silver, would be far more disastrous to mankind.

The remedy lays in the adoption of what is commonly known as International Bimetallism—the holding, in fact, to the true principles of monetary science instead of adopting new ideas at the dictation of interested parties. Indeed, it has been well and truly said, that this is not a question of a battle of the standards, but it is a battle between millions of money and millions of men.

No doubt international bimetallism may be surrounded by some difficulties—what important question is not?—but it is underlaid by certain principles of sound common sense and justice which properly and honestly interpreted must carry conviction to any unprejudiced mind; and it will be my endeavor so to lay the arguments in favor of bimetallism before the House, that it may be enabled to give an intelligent vote upon my resolution. I will at once go to the root of the matter by defining clearly what it is that we mean by the terms *currency*, *value* and *money*, because, unless we have a clear conception of the meaning of the terms of an argument, it is impossible that we can arrive at any logical conclusion as to its merits.

So far as *currency* goes there is not much difficulty. Currency means, money in motion, or, to put it tersely, it is the dynamics of money; but when we come to deal with the term *value*, then we have a more difficult task. There is a certain school of political economists who will tell you that the value of a commodity is measured by the amount of labor which is expended in producing that commodity. Now such a definition of value would be quite correct if society was perfectly organized; that is to say if all labour were to be so perfectly applied as to produce a maximum of useful effect;

but in this "happy-go-lucky," "devil-take-the-hindmost" system of society in which we all live at the close of this nineteenth century, such a definition of value is very far indeed from being correct. For example: Through some error in judgment, a large amount of labour might be expended in producing a commodity for which there would be little or no demand, and which, consequently, would have little or no value. Then, again, there is the example of platinum and gold, it takes far more labour to produce a pound weight of platinum than it does to produce a pound weight of gold, and yet gold has the greater value because there is a greater demand for it. We are therefore forced to define value by saying that *the value of a commodity is measured by its capacity for exchange with other commodities.*

When we come to define the term *money* then we at once enter upon the wide field of motory.

In primitive ages there was no such thing as money, all trade transactions were carried on by a system of pure barter. That is to say, if A had a commodity which he did not want, but which B wanted, and B had another commodity which he did not want, but which A wanted, then A and B handed those commodities the one to the other and so the bargain was completed. But it is quite evident that the elements of time and circumstance must have entered into such an arrangement to produce endless inconvenience and there is rather an amusing illustration of the inconvenience of pure barter in modern days in the case of a certain French lady who was a celebrated singer, and who, in making the tour of the world, happened to stop at one of the Society Islands where she was asked to sing at a concert. She consented on condition that she should be paid one third of the receipts. Well she sang, but when she came to receive her remuneration she found that it consisted of three pigs, 24 turkeys, 45 chickens, 5,000 cocoanuts, and a quantity of bananas and other kinds of fruit, in fact, she had inadvertently bartered her voice for all these articles of food.

Now the pigs had to be fed and they eat up all the fruit, but the good lady could not eat up all the pigs, so she left that Island a sadder and wiser woman as to the inconveniences attending a pure system of barter.

Oppressed by the inconveniences of barter the early nations

adopted certain media of exchange according as custom or the law of the majority impelled them, and we find them using cowrie shells, bits of brass and iron, and even bits of leather as money—indeed leather money was in use up to modern times in fur bearing countries, and it had its origin in the cutting out from a pelt a small piece and handing the piece on as representative money so that the holder of it could afterwards claim the pelt by fitting the small piece into the part of the whole from which it had been cut. In fact the whole pelt and the small piece of it performed the same functions as money that a gold reserve and a bank note do in the present day. These primitive media of exchange answered the purposes of money in a crude sort of fashion so long as they circulated only where custom had installed them, but no sooner was any foreign trade attempted between one country and the other than all the difficulties of exchange at once became apparent. As a consequence we find the early nations realized the necessity of having as media of exchange certain commodities which possessed intrinsic value and they adopted cattle as money because there was a general demand for them. Now this has an interest for us as there are certain words in the English language which take their origin from that source—for instance, we often speak of a *pecuniary* advantage, pecuniary being derived from the Latin word *pecu*, signifying cattle. Then again, the word *capital*—which is now so often in people's mouths, but unfortunately so seldom in their pockets—comes from the fact that in the early days a man's wealth was estimated *per capita* by the number of head of cattle which he possessed. Then again the word *chattel* comes from the same source.

But here again great inconvenience was experienced because this "cattle money" had to be fed and it was easily destroyed, and thus from the stern lesson of experience it dawned upon the human race that money or a medium of exchange, must possess certain *properties* in order to fit it for the requirements of advancing civilization. Those properties have been admirably defined and described in modern times by Chevalier and Jevons, two of the ablest writers on monetary science. They tell us that money should possess : 1. Utility or value. 2. Portability. 3. Indestructibility—a most important property, so that it may become a *store of value*. 4. Homogeneity. 5. Divisibility. 6. Stability of value so as to

prevent fluctuations in exchange—and lastly, cognisibility—so that it may be easily recognised as money. Now as gold and silver possessed all these properties in a very remarkable degree we find that the early nations adopted them as money or the media of exchange, but in those early days they were not used as coin, they were measured out by weight and mercantile men had to carry about with them weights and scales in order to complete their bargains. Well, there are many of us here who have lived in the gold districts of the Province and who have experienced the inconvenience and loss attending the weighing out of gold dust as a medium of exchange.

In order to overcome this inconvenience in the early ages, certain individuals of undoubted credit, affixed their seals to ingots of gold and silver as certificates of their weight and purity and this is the first historical evidence we have of the introduction of coinage and it dates back in the realms of history to about 900 years before Christ. This *private* money has its counterpart in the present day in the bank notes, stamped and signed with the name of the banker.

It is easy to see that the transition was an easy one from the private stamp or seal to the government coin by law established, from the credit of the private individual to that of the State, and I would now ask the House to take special note of this point in the argument, that it is the State, it is law, which gives to money the greater part of its value. I have good authority for this assertion because the Ancient Greeks in their great wisdom and high state of civilization, gave to money the name of “nomisma,” which is derived from “nomos” signifying law, and we have the high authority of that great philosopher Aristotle who tells us that it is by law and through law that money derives the greater part of its value. That such is the case is very easy of demonstration when we remember that the very fact of making gold and silver legal tender as money, at once creates a greater demand for those precious metals, and as the supply is limited, this increased demand gives a proportionate increase to their value. It is well to remember this because there are certain rabid gold monometallists and others who have not studied the question, who will laugh in your face and tell you that it is impossible that *law* can create value in a commodity.

As the centuries rolled on we find that silver was the metal principally used as money rather than gold. Now, why was this?

Not because silver possessed superior properties to gold as money—because we know that is not the case—but it was because silver was the more abundant metal of the two, and even in those early days the instincts of human nature suggested that it was of the utmost importance that there should be abundance of money in order to effectually lubricate the wheels of trade. In fact, abundance of money is the first necessity of commercial prosperity—not a superabundance, there are disadvantages in that, but even then the evils are not comparable to those which follow in the wake of a shrinkage in metallic money. Now it may be well here to remark that in consequence of gold and silver being adopted as money and the demand being thereby increased, a very large amount of labour was employed in various parts of the world in mining for the precious metals in order to keep up an adequate supply to meet the demand; but we must remember that one of the principal properties of gold and silver is their *indestructibility*—consequently for many centuries past the annual supply has been added to the main store until it has arrived at such a prodigious amount that the ratio of the annual supply to the main store is something very small indeed, so small in fact that the annual supply of gold and silver has very little effect upon their market value.

Following the history of currency, and turning to England, we find that from the time of Egbert to that of Edward the Third, a period of about 500 years, silver was the sole legal tender in England, but gold was gradually creeping into use side by side with it until, in the time of the Plantagenets, bimetallism was adopted as the currency of England, gold and silver were made legal tender to any amount, and the value of one metal in terms of the other was fixed by royal proclamation. Bimetallism continued as the currency of England all through the centuries up to the year 1792, when from a variety of causes, which it would take too long to detail, but which were in no way connected with the principal of bimetallism, England suspended cash payments and adopted an inconvertible paper currency, and paper remained the money of England up to the year 1816, when she resumed cash payments and, under the advice of Sir Robert Peel and Lord Liverpool, gold monometallism, was adopted, and England has stubbornly held to that system of currency ever since.

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Now this is made an argument against bimetallism by some of the gold monometallists. They state, in fact, that if such wise statesmen as Sir Robert Peel and Lord Liverpool, after mature consideration, adopted gold monometallism as the currency of England, therefore it must be right. But in putting forward this argument they forget the truth of that well-known Latin quotation "*tempora mutantur nos et mutamur in illis*," and if we take the trouble to study the writings and speeches of Sir Robert Peel and Lord Liverpool on the currency question, we have every reason to believe that, had those eminent statesmen lived in the present day they would have been advocates for international bimetallism; they would have recognized that science is rapidly breaking down the barriers between nations; that education is teaching the peoples that the interests of humanity are universal, and that international agreement upon sound principles of political economy must work for the benefit of the human race. Indeed, if we choose to take Sir Robert Peel literally, we may cite him as an advocate of bimetallism, because in the peroration of his famous speech on the currency question in 1819 he said, "Every consideration of sound policy, and every obligation of strict justice, should induce us to restore the ancient and permanent standard of value."—But that ancient and permanent standard of value was a bimetallic one !

Turning now to Europe in modern times, we find that the Latin union, which was composed of France, Italy, Belgium and Switzerland, had a bimetallic currency up to the year 1873, when, in consequence of the action of Germany, the Latin union was forced, much against its will, to adopt gold monometallism.

Germany had a silver currency up to the year 1873, when, in her unwisdom, as she now knows, she adopted gold monometallism.

Austria and Russia have a silver currency.

The United States had a bimetallic currency from 1797 to 1873, when, in consequence of the action of Germany and the Latin union, she, much against her will, was forced to adopt gold monometallism.

China and Japan have a silver currency.

We therefore see that prior to 1873 silver was the prevailing currency of the world, but that many of the leading commercial

nations of the world had a bimetallic currency. Why then, we may ask, are the nations now adopting gold monometallism and forsaking the traditions of their forefathers?

The answer to that question may be found in the fact that the increased facilities for communication have given a very great impetus to foreign trade and enterprise, and this has brought into greater prominence the fact that England is the great money lender of the world, the creditor of creditors and the hub of commercial enterprise; and since she occupies this coign of vantage, and stubbornly and selfishly holds to gold monometallism, which is for the benefit of the creditor as against the debtor, she forces other nations, in sheer self defence and much against their will, to adopt the same pernicious system of currency.

Then, again, the increased velocity which has been given to foreign trade and enterprise has also brought into greater prominence the working of what is known as Gresham's Law with regard to money, so called after Sir Thomas Gresham, who lived about three centuries ago, and who first propounded the theory, which appears somewhat paradoxical, but which is nevertheless true, that "inferior money drives out superior money, but superior money cannot drive out inferior money." Basing their arguments on the accuracy of this law, the gold monometallists have asserted that if bimetalism became international, silver would become the prevailing currency of the world, and gold would disappear from use. But it can easily be shown that such an argument is entirely fallacious, because the very fact of bimetalism becoming international would at once modify the working of Gresham's law, besides which the chief merit of bimetalism is its compensatory action; therefore, if silver became the prevailing currency and gold disappeared from use, gold would become depreciated, but if gold became depreciated, it would, by Gresham's law, commence to drive out silver, and thus the equilibrium of the value of one metal in terms of the other would be restored.

This is not mere assertion on my part, we can draw upon experience for our facts, because during the long bimetallic reign of France the market value of silver in terms of gold remained remarkably steady notwithstanding the important discoveries and developments of the mines in Australia and California.

But had there been *International* Bimetallism during that time the fluctuations in value, small as they were in the case of France just cited would have been even still smaller.

I will now refer to an important change which has come over the currency of the world in modern times by the introduction of fiduciary paper.

Fiduciary paper has been known for centuries past in the form of Foreign Bills of Exchange which were introduced in order to balance trade accounts and save the transportation of specie, but it was not until the foundation of the Bank of England in 1694 and the subsequent issue of bank notes followed by the Banks of Scotland and Ireland that fiduciary paper began to take its place as part of the recognized currency of the world, and now at the close of this nineteenth century it has attained to such an enormous volume through Bank notes, Bank cheques, Bills of Exchange, Letters of Credit and a variety of convertible and in some countries of inconvertible paper, that it has been estimated that, taking all the commercial transactions of the principal nations of the world, the actual coin which passes does not amount to two per cent. of the whole. This state of affairs has given rise to the institution of Bank Clearing Houses of which London is the centre for balancing the trade accounts of the world.

Now if there is one thing upon which gold monometallists and Bimetallists and indeed every student of monetary science are agreed upon it is that, the fundamental principle of a sound paper currency should be an adequate reserve of the precious metals to meet the fiduciary paper which is in circulation.

But can it, for one moment, be contended that such is the case in the present day? On the contrary it is well known that the great mass of commercial transactions are reared upon an unstable foundation of credit. So long as that credit lasts all works smoothly and well, proving by that very fact the advantage of abundance of money if only it could be upon a sound basis. Then again the telegraph and telephone have given such an impetus to trade and have so annihilated space that there has grown up a vast mechanism of finance which has spread its complicated machinery over the whole world and so long as that machinery is lubricated with "credit" all works smoothly and well. But suddenly there comes a crash—

some Mammon-God has overstepped the bounds of legitimate speculation and then all the falsity and rottenness of the system at once becomes apparent; down comes the sham fabric carrying ruin and disaster in its train; panic follows upon confusion and it is then that the rich men button up their pockets and these Mammon-Gods issue their fiat—let all enterprise be stopped—and behold, it is so! But what does that mean? It means that hundreds of thousands, ay millions of industrious men and women are thrown out of work; it means that poor men go down like grass before the scythe; it means that debtors become the abject slaves of their creditors, and many and many a poor soul exclaims in the agony of his despair “O Death where is thy sting” and he seeks a refuge from the cares, the envyings and the bitterness of this money grubbing world in that haven where “The wicked cease from troubling, and the weary are at rest.”

And all this misery and all this anguish is the outcome of an inadequate supply of gold and silver to meet the fiduciary paper in circulation.

It is estimated that the gold coin and bullion in the world amounts to £790,000,000 sterling, and that there is about the same amount of silver coin and bullion in sterling; and yet notwithstanding these vast sums of metallic money the gold and silver in the world are insufficient as a reserve for the quantity of fiduciary paper which mankind demands for the satisfaction of enterprise. And now mark the point—In face of this patent but painful fact—what is it that the gold monometallists propose to do? Why, sir, to cut down this already inadequate reserve of the precious metals by nearly one half, by a general demonetization of silver, and thus at one fell swoop, to double all the misery and suffering I have already depicted as resulting from a deficiency in the reserves of gold and silver to meet the fiduciary paper in circulation. I ask, sir, could there be greater folly or greater wickedness?

But the evil would not stop there. If gold monometallism became general, the market price of silver low as it is now would fall to less than half its present value, and then all the complicated works in and connected with the greater number of the silver mines throughout the world would be shut down, and hundreds of thousands of men would be thrown out of work. So far as British Columbia is concerned it is no exaggeration to say, that it would rob

us of more than half our wealth ; it would be the greatest blow which could be struck at the industries of the Province, and it would absolutely ruin many enterprises which have been founded upon the legitimate belief in the natural wealth of this country in silver. And all this wrong and injustice would be perpetrated in order to fill the pockets of influential money-lenders in Great Britain and elsewhere.

It is acknowledged by the gold monometallists themselves that gold would be greatly appreciated by the demonetization of silver; that is to say it would take more wheat or any other commodity to buy one pound weight of gold than it does now.

Let us see how this would affect the debtor as compared with the creditor.

Supposing a man had borrowed say twenty thousand dollars in gold for three years in order to start himself in business, and that during that time—to take an extreme case—gold had become appreciated to double its value through the demonetization of silver. It is quite evident that the debtor would have to pay back double the amount of his loan, and he would probably be a ruined man. And this would apply to all other contracts.

It may be said, *per contra*, that if international bimetallism were to become law that gold would become depreciated to its normal value, and that the creditors would suffer. No doubt this is true, but it must be remembered that the present low price of silver is not the result of the natural course of trade, but it has been brought about by the greed of influential holders of gold, who have forced upon the world a system of currency which is opposed to the interests of the great mass of the people. Besides which the creditors in the world are to the debtors perhaps as one to one thousand, and therefore if any one is to suffer from the disorganization of the currency, it is better that it should be the smaller and not the larger number, especially as they are better able to bear it.

But it is upon the agriculturist, the producer, the guardian of our very existence, that the appreciation of gold will press with the greatest severity—indeed the present low price of silver has already told upon him with fatal effect. We must remember that the land is the source of our very being. To quote the words of Carlyle:

"The land is mother of us all." And yet, as we look around us in the world we find that the children are forsaking the mother who bore them. A cry comes up from England, from Europe, from America, from Australia, that farming does not pay and we find the people fleeing from the country—from the land which is the source of their existence—and gathering themselves into the cities there to scramble and gamble for wealth. In Great Britain, notwithstanding the enormous increase in the population in the last twenty years the number of agriculturists has decreased by over 200,000. Surely, sir, there must be something very rotten in the organization of society when the people flee from the source of their existence!

One of the principal causes of this economic loss may be traced to the general disorganization of the monetary system. Let us see, for instance, how the appreciation of gold effects the farmers:

Say that in ordinary times ten tons weight of wheat will purchase one pound weight of gold, but that gold becomes appreciated to double its value through the general demonetization of silver; it is quite evident that the farmer will then have to give twenty tons of wheat for one pound weight of gold: that is to say he will have to expend double the amount of labour to obtain the same amount of gold.

Yes, reply the gold monometallists, but that does not matter, because the farmer would then be able to buy with the gold double the amount of any commodities he might require. The exchange value of the gold would be doubled. Now, that is true in theory, but wrong in fact, because it is well known that the prices of commodities cannot adapt themselves with sufficient rapidity to the fluctuations in the value of gold. But far more than that, a high appreciation of gold would give despotic power to the holders of it, and it would enable them to dictate their own terms. Well, the farmer already knows what that means!

But I will now by a very simple illustration shew how the farmer is affected either for good or evil according as he lives under a Bimetallic or a gold monometallic currency.

Suppose that three men, A, B and C, settle say upon some southern prairie, A and B to farm land and C to set up a store.

Say that the principal crops raised are wheat and tobacco, and that in ordinary times 1550 lbs. weight of wheat exchange for 100 lbs. weight of tobacco. A finds that he requires a small piece of B's land upon which to erect some buildings, and it is agreed between them that he shall have it, and that he can pay for it with 100 lbs. of tobacco when the crop comes in. Now when the harvest comes round the wheat crop is good, but the tobacco crop, through unfavorable weather, is a failure. But A has to pay for the land, and he therefore goes to C and offers him 1550 lbs. of wheat for 100 lbs. of tobacco. Now C knows he has got A in a tight place, and he therefore refuses to sell him 100 lbs. of tobacco for less than 2500 lbs of wheat. A has to pay it in order to meet his debt, and therefore loses 950 lbs. of wheat through no fault of his own.

Now if you substitute gold for the tobacco, there you have the effect on the farmer of gold monometallism.

But now suppose that when A made his agreement with B he could have said, I will give you for the land 100 lbs. of tobacco *or* 1550 lbs. of wheat. When the harvest came in the tobacco crop was a failure but the wheat crop was good. A would therefore have paid B 1550 lbs. of wheat for the land, and he would have been no loser by the transaction.

Now if you substitute gold for the tobacco and silver for the wheat, you have the benefit to the farmers shown by bimetallism. In fact it gives a man a double chance to pay his debts.

But now let us see how the appreciation of gold affects the taxpayer; for that is an important consideration for us all. Mr. Morton Frewen, in a very able article in the Contemporary Review, has rather startled the English people by pointing out to them that the greater portion of their enormous national debt was borrowed in silver, but is now—through England having adopted gold monometallism in 1816—payable, *together with the interest*, in highly appreciated gold.

But let us turn to British Columbia. We have borrowed gold at a low rate of interest which is payable in gold, therefore if gold becomes appreciated the taxpayer will have to pay just so much more interest on our debt as gold may become appreciated. Now let me explain myself. The interest on our debt is payable in gold and that gold has to come out of the revenue of the Province and

the taxpayer has to supply the revenue with gold to pay the interest on our debt in gold. But if gold should become appreciated to double its value the taxpayer would have to give double the amount of commodities in order to buy the gold to pay the taxes to provide the revenue with gold to pay the interests of our debt in gold. Therefore if gold becomes appreciated the taxpayer will have to pay just so much more interest on our debt as gold may become appreciated.

On the other hand if International Bimetallism became law, gold would be depreciated to its normal value and the taxpayer would be benefitted proportionately.

Now, Sir, what is it that International Bimetallism proposes to do? It proposes that gold and silver should be made legal tender to any amount and that the value of one metal in terms of the other should be fixed by international agreement. There is no valid reason why the ratio should not be adopted which answered the purpose in France for so long a period; namely: That one pound weight of gold should be exchangeable for fifteen and a half pounds weight of silver, but the ratio could well be left to international agreement. It also proposes that gold and silver bullion in any amounts should be freely turned into coin at state mints.

Here then we have International Bimetallism in all its naked simplicity but it is quite evident that if one nation adopts Bimetallism while its neighbors are gold monometallic, there will be, according to Gresham's Law, a drain of gold from the Bimetallic to the gold Monometallic nations.

In point of fact this is exactly what occurred in 1873, when Germany gave up a silver currency for gold monometallism and at once began to drain the gold out of France and thus obliged her to adopt the same system of currency. But if Bimetallism was INTERNATIONAL then there would no longer be any object or profit in trafficking in exchanges; the market price of silver would be approximately the legal tender price and would remain steady as a rock, for why should it not be so? Who would be so foolish in any country as to sell one pound weight of silver for less than he could obtain for it in coin of the realm by taking it to the mint?

If International Bimetallism became law the market price of silver would at once go up to the legal tender price and just imagine what that would mean for the mines of British Columbia!

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It is acknowledged by the gold Monometallists that so far as extreme fluctuations in the value of the precious metals are concerned Bimetallism would be a great advantage. Now if there is one thing more than another which disorganises trade and creates confusion it is extreme fluctuations in the value of the precious metals, because it must be remembered that the functions of money are that it shall be a *measure of value* as well as a *store of value*.

If International Bimetallism became law there would be no fear of the markets being flooded with either of the precious metals we have already seen that the annual increment of gold and silver has very little effect on their market value—the only difficulty would be to get enough of them and the effect would be to place fiduciary paper upon a firmer basis than it stands upon now.

What are the arguments against International Bimetallism ? If athirst for knowledge we turn to the writings of gold monometallists we find that all their prophesies have been negatived by events.

They treat Bimetallists in a derisive sort of fashion as though we were propounding some new fangled nonsense, instead of asserting as we do, the advantages of a monetary system which has stood the test of centuries.

One of the arguments used against International Bimetallism is that, it could not be carried out in event of war because the agreement would then be broken. Now that is a very foolish argument, because there are already international agreements of a very delicate character which are not broken in event of war ; witness for instance that of neutrality. But there is a far better reason why the belligerent nations would not break the Bimetallic agreement, and that is, it would be utterly against their interests to do so ; in fact it would be financial ruin to them to do so. Thus we find the gold monometallists have to shift their ground from point to point until at last they get all huddled up into one corner and exclaim with one voice "well then, you will never get England to agree to it." But that is simply assertion and not argument, and there is good reason to hope that England will agree. It is only recently that the question has commenced to be understood and it is already getting a firm hold on the public mind.

All the Chambers of Commerce of England and Scotland have petitioned in favour of International Bimetallism.

With hardly any exception every professor of political economy in Great Britain, in Europe and in America is strongly in favour of International Bimetallism.

Then again, that great statesman, Mr. Balfour, is a strong advocate for that system of currency and he is ably supported by Mr. Grenfell, late governor of the Bank of England. Mr. Hucks-Gibbs, one of the leading merchants of London,—a remarkably clever and learned man, Mr. Barclay and a host of other learned men, who are all standing shoulder to shoulder in the good cause and whose ranks are swelling with most satisfactory and highly encouraging rapidity.

But I must not omit the evidence from England in favor of international bi-metallism, as shown by three short extracts from the Royal Commission on gold and silver, which sat in 1888, and which was composed of twelve selected experts in monetary science from Great Britain—they are so important that I have learnt them by heart, and I wish every member of the House would learn them by heart also.

“So long as the Bimetallic system of the Latin Union remained in force, we think that notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely, $15\frac{1}{2}$ to 1.”

“We think that if in all these countries (N. B. the leading commercial nations) gold and silver could be freely coined, and thus become exchangeable against commodities at the fixed ratio, the market value of silver as measured by gold, would conform to that ratio and would not vary materially from it.”

“Apprehensions have been expressed, that if Bimetallism became general, gold would gradually go out of use. If, however, the principal commercial nations joined in the arrangement we do not think there would be any serious danger of such a result.”

So much for the evidence of twelve selected experts in monetary science from Great Britain; but let me turn to the opinion of that

great statesman who stands at the head of, what we may gracefully term, Greater Britain, Mr. Cleveland, a man whose great ability and honesty of purpose will mark a bright spot in the history of his country. When the Sherman Act was repealed, he gave it distinctly to be understood that although the United States has a gold monometallic currency, it would be his earnest endeavour, together with that of his government, to bring about international bimetal-ism.

Well, sir, it is needless to cite further evidence, as it is well known by students of the subject that the greater number of the leading commercial nations of the world would gladly adopt international bimetallism were it not that England stops the way.

But is it the English people who stop the way? No, sir, but only a small although highly influential section of them; but there is every reason to hope that so soon as the English people realize that they are maintaining a system of currency simply for the benefit of the creditor as against the debtor, that the sound common sense and love of justice which has always characterized the English people will assert itself in this case as it has in all others where the interests of the human race are concerned.

If international bimetallism becomes law, then, but not until then, we may hope to see the terrible depression—which is now weighing so heavily upon agriculture and upon every industry throughout the world—removed, and a new era of prosperity inaugurated.

I now beg to thank the House for the patience it has shown in listening to what, to many, must be a very dry although a very important subject.

I have endeavoured as far as possible to confine my remarks to the main channel of the great currency question of the day and to avoid the temptation of exploring many tributary channels which would have added great force to my arguments, but at the expense of prolonging my speech to an inordinate length.

Every expression of opinion upon this all important subject must carry a certain weight and I beg the House to realize that it occupies the proud position of an integral portion of the legislative

mechanism of the Great British Empire, and as such we have an undoubted right to express an abstract opinion upon any question which effects the welfare of British subjects, but in this case the area of welfare is enlarged, it not only embraces the vital interests of the prospectors, the miners and the traders of this fair Province, but it is so far reaching in its object that it touches the hem of humanity at large. I therefore trust that, for once, we may strike off the shackles of party faction and recognizing, at least the modicum of power for good which lays before us, we may unite with one heart and one voice in supporting the principles of the resolution which I now have the honor of placing at the disposal of the House.

The resolution carried with only three dissentients.



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